

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

March 23, 2021

1:33 p.m.

MEMBERS PRESENT

Representative Grier Hopkins, Chair
Representative Sara Hannan, Vice Chair
Representative Ivy Spohnholz
Representative Harriet Drummond
Representative Tom McKay
Representative Kevin McCabe
Representative Mike Cronk

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CONFIRMATION HEARING(S): BOARD OF MARINE PILOTS

- HEARD

CS FOR SENATE JOINT RESOLUTION NO. 9 (L&C)
Urging the United States Congress to exempt cruise ships from certain provisions of the Passenger Vessel Services Act (PVSA) and other applicable provisions of federal law for the period during which Canadian ports are closed to cruise ships carrying more than 100 people; and urging the President of the United States not to fine or take actions against cruise ships sailing to the state.

- MOVED CSSJR 9 (L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SJR 9

SHORT TITLE: URGE EXEMPTION FOR CRUISE SHIPS

SPONSOR(S): SENATOR(S) KIEHL

02/10/21	(S)	READ THE FIRST TIME - REFERRALS
02/10/21	(S)	TRA, L&C
02/18/21	(S)	TRA AT 1:30 PM BELTZ 105 (TSBldg)
02/18/21	(S)	Moved SJR 9 Out of Committee
02/18/21	(S)	MINUTE(TRA)

02/19/21	(S)	TRA RPT 2DP 1NR
02/19/21	(S)	DP: MYERS, KIEHL
02/19/21	(S)	NR: SHOWER
03/03/21	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/03/21	(S)	Scheduled but Not Heard
03/05/21	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/05/21	(S)	Heard & Held
03/05/21	(S)	MINUTE(L&C)
03/15/21	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/15/21	(S)	Moved CSSJR 9(L&C) Out of Committee
03/15/21	(S)	MINUTE(L&C)
03/17/21	(S)	L&C RPT CS 4DP SAME TITLE
03/17/21	(S)	DP: STEVENS, GRAY-JACKSON, REVAK, HOLLAND
03/19/21	(S)	TRANSMITTED TO (H)
03/19/21	(S)	VERSION: CSSJR 9(L&C)
03/20/21	(H)	READ THE FIRST TIME - REFERRALS
03/20/21	(H)	TRA
03/23/21	(H)	TRA AT 1:30 PM BARNES 124

WITNESS REGISTER

LUCAS HASENBANK

Appointee

Anchorage, Alaska

POSITION STATEMENT: Presented and answered questions during the meeting.

RICK HARRIS

Appointee

City & State

POSITION STATEMENT: Presented and answered questions during the meeting.

SENATOR JESSE KIEHL

Senator

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented SJR 9.

ANDREW CREMATA, Mayor

Skagway, Alaska

POSITION STATEMENT: Testified in support of SJR 9.

ACTION NARRATIVE

[1:33:56 PM](#)

CHAIR GRIER HOPKINS called the House Transportation Standing Committee meeting to order at 1:33 p.m. Representatives Drummond, Cronk, Hannan, McCabe, McKay, and Hopkins were present at the call to order. Representative Spohnholz arrived as the meeting was in progress.

CONFIRMATION HEARING(S): Board of Marine Pilots

[1:34:59 PM](#)

CHAIR HOPKINS announced that the first order of business would be confirmation hearings for the Board of Marine Pilots.

[1:35:28 PM](#)

CHAIR HOPKINS informed the committee the Board of Marine Pilots (BMP) appointees were appointed by the governor and confirmed by the Alaska State Legislature. He said the board consisted of seven members, six of whom were appointed by the governor, two of whom were licensed pilots, two of whom were agents or managers of vessels, and two of whom were members of the public, plus the Department of Commerce, Community and Economic Development commissioner or their designee. Not more than one pilot or one agent should be from any one judicial district on the board; all must be Alaska residents, he shared. Excepting the commissioner's designee, members were appointed for staggered terms of four years, and members shall serve until they are replaced or resign. The board adopts members to carry out its mission to provide efficient and competent pilotage services and meets three times per year, he imparted.

[1:36:59 PM](#)

LUCAS HASENBANK, Appointee, informed the committee he was up for the agent representative spot and informed the committee he had obtained his undergraduate degree and his Master of Business Administration from the University of South Dakota. Has served as President of Alaska Maritime Agencies since 2003, he stated. He shared he had a good working relationship with both the Southwest Pilots and the Alaska Marine Pilots Associations. He added he has been a regular at BMP board meetings for the past 10 years, that he has served on the Prince William Sound Regional Citizens Awareness Council for three-plus years, was an Alaska State Chamber of Commerce representative, and acted as Agent Representative for the Cook Inlet Harbor Safety Committee.

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RICK HARRIS, Appointee, said he was up for reappointment to the Board of Marine Pilots for a second term as one of the public members on the board. He shared his work at SeaAlaska Corporation as a Senior Executive from 1980 until 2014, which afforded him experience in both Natural Resources Management and Public Policy Development, crafting both state and federal regulations. Mr. Harris came to Alaska in 1973 to work in aquaculture, he shared. He is also an army veteran with the rank of sergeant, he added. The BMP played a critical role in SeaAlaska's timber operations, he shared. His family has also worked in the cruise industry as port agents and ship agents, he shared. Mr. Harris would bring to the BMP a public voice to ensure rigorous control and safe passage of vessels, as well as knowledge of regulatory and budget issues.

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REPRESENTATIVE SPOHNHOLZ asked why Mr. Harris was interested in serving on the BMP.

MR. HARRIS replied he was retired and wanted to give back to the community; he added with his experience with marine pilots as well as with the cruise industry, he was a good fit.

REPRESENTATIVE SPOHNHOLZ asked him to share some of the big issues he has worked on over the years.

MR. HARRIS replied recently foreign pleasure crafts or large private yachts must have pilots on board or must apply for exemptions with requisite knowledge and skilled people on board vessels, and he helped clarify how waivers worked to make it easier for the state to determine who qualified for exemption.

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CO-CHAIR HOPKINS opened public testimony on the confirmation hearing for appointees to the Board of Marine Pilots. After ascertaining that there was no one who wished to testify, he closed public testimony.

[1:45:22 PM](#)

REPRESENTATIVE HANNAN commented Mr. Hasenbank's "landlocked" alma mater ought to be proud their MBA was serving Alaska so

well. She also pointed out that there was still a vacancy on the BMP after these confirmation hearings.

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REPRESENTATIVE HANNAN made a motion to advance the confirmation of Lucas Hasenbank and Richard Harris, appointees to the Board of Marine Pilots, to the joint session for consideration. He reminded the committee that signing the reports regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointees, and the nominations are merely forwarded to the full legislature for confirmation or rejection.

[1:47:09 PM](#)

The committee took an at-ease from 1:47 p.m. to 1:49 p.m.

SJR 9-URGE EXEMPTION FOR CRUISE SHIPS

[1:49:40 PM](#)

CO-CHAIR HOPKINS announced that the final order of business would be CS FOR SENATE JOINT RESOLUTION NO. 9(L&C), Urging the United States Congress to exempt cruise ships from certain provisions of the PVSA and other applicable provisions of federal law for the period during which Canadian ports are closed to cruise ships carrying more than 100 people; and urging the President of the United States not to fine or take actions against cruise ships sailing to the state.

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SENATOR JESSE KIEHL, Senator, Alaska State Legislature, shared in 2019 Alaska had 2.2m tourists, most of whom came in on big ships. The tourists were responsible for about \$4B in economic activity across Alaska, he shared. In 2020 the number was close to zero, he shared, putting small- and medium-sized Alaska businesses and their employees at great risk. There were federal payroll protection programs, disaster loans, Alaska CARES Act money, and unemployment assistance; yet, if the 2021 numbers looked similar, there would be very few businesses which would survive.

SENATOR KIEHL stated in 2021 with the Canadian closure, a series of American federal laws were positioned to prevent another cruise ship season. In effect, with big ships' obligatory stops

in Canada on their way to Alaska canceled, SJR 9 would ask for temporary reprieve during the pandemic and closed Canadian waters. He noted SJR 9 had been developed with the Congressional delegation; that all three members had introduced legislation that would do what SJR 9 requested. If SJR 9 did not pass, it would ensure prohibitive laws did not pass. It did not ask for any breaks or shortcuts on COVID-19 safety, he pointed out. The Center for Disease Control (CDC) put out a 40-page manual for COVID-19 mitigations should sailing again become safe. There were safe ways for cruising to resume, he added.

1:55:14 PM

CO-CHAIR HOPKINS thanked the sponsor for bringing forth the statewide issue.

1:55:53 PM

REPRESENTATIVE HANNAN asked about the similarity between SJR 9 and House Bill 13.

SENATOR KIEHL said the only change was some clarifying language in the second resolved clause to clarify no enforcement would be taken against ships under the Passenger Vessel Services Act (PVSA).

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REPRESENTATIVE CRONK asked when Congress would "deal with this," and if getting ships to Juneau in the summer of 2021 were a possibility.

SENATOR KIEHL said he could not predict Congress. At one time he thought the provisions could have been inserted into the American Rescue Act because it was done through the budget reconciliation process and was not an order, he shared. Congressman Don Young originally introduced legislation on the matter, he stated, and shared he thought the solution "elegant." There are a couple potential vehicles in which to insert this resolution, he said. There was no date, he said. The cruise lines needed to make decisions; the CDC was still in partial shutdown mode; and it would take 90 days "from the word go" to get paying passengers on board, so there was very little chance before mid- or late-July.

REPRESENTATIVE CRONK said he supported SJR 9.

[1:59:38 PM](#)

REPRESENTATIVE DRUMMOND asked if other states impacted had asked for similar dispensation; for example, Washington, where many of the cruise ships originated.

SENATOR KIEHL said he had been working with the Washington State delegation and several members of their legislature, but there had been no resolution from Washington. There were several issues, and the Port of Seattle would see significant impacts if the big ships didn't begin any voyages there this summer, he added.

[2:00:31 PM](#)

CO-CHAIR HOPKINS opened public testimony.

[2:00:45 PM](#)

ANDREW CREMATA, Mayor of Skagway, testified in support of SJR 9. Mr. Cremata said the PVSA presented a "significant hurdle" to cruises resuming their ability to pay visits to Skagway and described the dire situation in that community due to the pandemic and subsequent loss of cruise ship revenue income to the tune of \$160m in 2020. The loss of the 2021 cruise season would mean 2.5 years in the best-case scenario. Has sent letter of support of SJR 9 to federal delegation and spoken with legislators, he stated. He has also encouraged independent traffic, but the border is closed for many of the same reasons Canada's were, he said. Other port communities were affected, as is Denali Borough, he imparted.

[2:03:17 PM](#)

REPRESENTATIVE HANNAN asked about the total revenue loss compared to total of \$160m in 2020.

MR. CREMATA responded it was almost an entire year's income and that property taxes even had to be waived for businesses that couldn't afford to pay. Going into 2021 budget cycle with 6% revenue projected, which is optimistic. There was still sales tax revenue, but the significance of the impact wasn't shown, he said. It was 96% - 98% percent of revenue, he shared.

[2:04:32 PM](#)

CO-CHAIR HOPKINS asked if Skagway had a similar problem with allocations based on population like Denali.

MR. CREMATA responded CARES Act money was put back into the hands of residents and created a grant program for businesses out of sales tax. He emphasized SJR 9 was a matter of survival for the community of Skagway.

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CO-CHAIR HOPKINS closed public testimony on SJR 9.

[2:06:40 PM](#)

REPRESENTATIVE HANNAN moved to report SJR 9 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SJR 9 moved out of the House Transportation Standing Committee.

[2:07:04 PM](#)

The committee took an at-ease from 2:07 p.m. to 2:09 p.m.

[2:09:39 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 2:09 p.m.